

## IOWA IN THE NEW ECONOMY STRATEGIC PLAN 2001-2003

Over the past decade, the foundation of the U.S. economy has shifted focus from traditional manufacturing to a knowledge and idea-based economy. The New Economy refers to the competitive environment in which the pace of technology development and commercialization has dramatically accelerated. The employees needed to drive this New Economy are comprised mainly of highly skilled “knowledge workers.” To be competitive in the New Economy, Iowa must build upon its core strengths and focus on the high-wage, high-growth target industry cluster areas identified.

The plan was developed by the Governor’s Technology Advisory Network led by Robert J. Tibor, State. Science and Technology Advisor, and three private-sector executives who were appointed by the Governor to chair advisory committees for the target industry clusters. They are: **Life Sciences** – Dr. John Greaves, President, Kemin Industries; **Advanced Manufacturing** – Clay Jones, President, Rockwell Collins; and **Information Solutions** – Carl Williams, Senior Vice President and Chief Information Officer, Principal Financial Group.

Strategies to foster growth of businesses in the three target industry clusters will achieve the following results:

- Iowa will compete favorably in the five economic foundation areas of the New Economy:
  - skilled and adaptable workforce
  - access to technologies
  - access to financial capital
  - advanced physical infrastructure
  - a balanced regulatory and tax structure
- The three target industry clusters will grow and create high-wage employment opportunities.
- The number of commercialized technologies and start-up entrepreneurial ventures will increase.
- Iowa will be positioned as a leading technology center in the areas of the three cluster industries.
- Talent will be attracted to the state as a result of a growing critical mass of technology-driven businesses.

The plan will be supported by public and private resources through the establishment of an **Iowa New Economy Council** to review and provide ongoing assessment of Iowa’s competitive position in the New Economy and to coordinate industry-specific cluster initiatives organized through three **Industry Leadership Councils**. The New Economy Council would be comprised of senior level decision-makers within the private and public sectors including industry, academia, labor, and government.

Resources for the plan are required to support the activities of the Council and Leadership Councils. The Vilsack/Pederson Administration budget recommendation proposes new resources up to \$100,000 through the Iowa Department of Economic Development budget. Also proposed is the authorization of the reallocation of up to \$4.85 million of program dollars administered through the Iowa Department of Economic Development to support projects and activities under this plan in the following areas: industry-driven training, business development/technology commercialization; regulatory assistance and coordination; entrepreneurial development; and marketing and communications to support cluster development.

## **IOWA IN THE NEW ECONOMY STRATEGIC PLAN 2001-2003**

The plan was developed by the Governor's Technology Advisory Network. The Network **was** led by **Robert J. Tibor, State Science and Technology Advisor**, and three private-sector executives who were appointed by the Governor to serve as industry-specific advisors and to chair advisory committees responsible for developing action plans for each of the target industry clusters:

- **Advanced Manufacturing**-Clay Jones, President, Rockwell Collins
- **Information Solutions** -Carl Williams, Senior Vice President and Chief Information Officer – Principal Financial Group
- **Life Sciences** -Dr. John Greaves, President, Kemin Industries

The 76 members of the three advisory committees represented a mix of fast-growing entrepreneurial companies, established companies, suppliers and buyers, Iowa research universities, community colleges, labor, and **government** policy experts.

### **WHAT ARE THE GOALS OF THE INITIATIVE?**

Iowa will be positioned as a leader in the knowledge-based New Economy. The economy be driven by the commercialization and application of new technologies; start-up of entrepreneurial ventures; and the attraction, retention and expansion of high-wage, high-growth businesses in the target industry clusters of **advanced manufacturing, information solutions, and life sciences**. Talent will be attracted to the state as a result of a growing critical mass of technology-driven businesses.

### **WHAT IS THE MEANING OF “NEW ECONOMY”?**

Over the past decade the foundation of the U.S. economy has shifted focus **from** traditional manufacturing to a knowledge **and** idea-based economy. The New Economy refers to the competitive environment in which the pace of technology development and commercialization has dramatically accelerated, where the employees needed to **drive** this **New Economy** are comprised mainly of highly skilled “knowledge workers”; and where research, **information** management, business and consumer relationships, product and service development, manufacturing, and distribution are digitally integrated. With the emergence of **this New Economy** Iowa must target its economic development strategies to **remain** competitive.

## WHAT IS NEW ABOUT THIS APPROACH TO ECONOMIC DEVELOPMENT?

The success of Iowa's economic development programs has been based on targeting industry segments in isolation and focused on growing or attracting one business at a time. The cluster approach to economic development strategy is market-driven based on the needs of Iowa's current and emerging target industry clusters and focused on building strong collaborative relationships among industry, academia, government, and labor. This will result in maximum coordination and results.

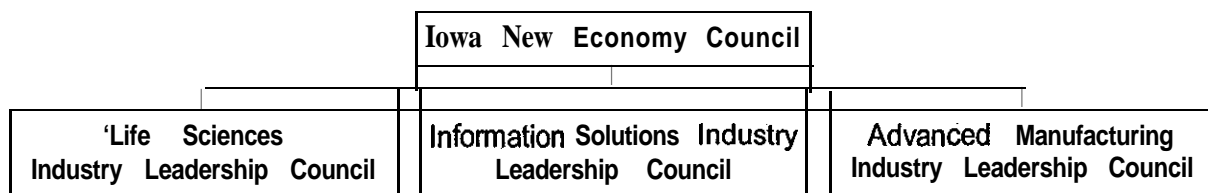
## HOW CAN IOWA BECOME MORE COMPETITIVE IN THE NEW ECONOMY?

The Governor's Technology Advisory Network focused on the economic foundation issues or the "competitive" platforms upon **which** companies can **compete more** effectively in the New Economy.

- . Skilled and adaptable human resources
- Access to technologies on which new products and processes are based
- . Availability of **financial** capital to support new ventures, expansion of existing companies, and reinvestment in transition industries
- . Support of advanced physical infrastructure for transportation, communications, energy and water, and waste handling
- . A responsive regulatory and taxation structure that balances competitiveness

## WHAT IS THE FRAMEWORK BEING PROPOSED?

The plan will be implemented and further refined through the establishment of an **Iowa New Economy Council** and three **Industry Leadership Councils**—advanced manufacturing, information solutions, and life sciences.



Both the Iowa New Economy Council and the three Industry Leadership Councils **will** support and coordinate specific activities related to:

- Projects that address common needs, such as joint workforce training and recruitment programs, or industry-led efforts to secure and apply technology derived from university research.

- Communications and information sharing activities designed to match state and university research resources with needs identified by the industry clusters.
- Benchmarking and performance measurements on key issues affecting Iowa's competitiveness in the five economic foundations. (Reference page 2.)
- Identification and implementation of best practices for industry cluster development based on continuing review of other national and state industry cluster initiatives.

## **WHAT IS THE ROLE OF THE IOWA NEW ECONOMY COUNCIL?**

The Iowa New Economy Council will guide the implementation and further refinement of the plan. The New Economy Council will:

- Conduct an ongoing assessment of Iowa's competitiveness based on the economic foundations of the New Economy.
- Foster development of the three target industry clusters by facilitating collaborative relationships among industry, academia, labor, and government that will lead toward the alignment of initiatives and tools/resources of service providers and research universities with the market-driven needs of industry.
- Establish working groups to review overarching cluster development competitiveness issues related to university intellectual property policies, regulatory policies, and workforce development strategies.
- Provide guidance on the development and implementation of a comprehensive marketing-communications plan that will position Iowa as a world leader in advanced manufacturing, information solutions, and life sciences.

Overall, the Iowa New Economy Council will serve as a resource concerning state support for economic development and business-driven university research projects/initiatives. The Council's review of projects/initiatives will be based on maximum coordination of resources and expected outcomes.

## **WHO WILL SERVE ON THE IOWA NEW ECONOMY COUNCIL?**

The New Economy Council would be comprised of senior level decision-makers within the private and public sectors including industry, academia, **labor, and** government.

## **WHAT IS THE ROLE OF THE THREE INDUSTRY LEADERSHIP COUNCILS?**

The Iowa New Economy Council will form the three Industry Leadership Councils. Each Industry Council will be comprised of industry leaders **from** the cluster; representatives of Iowa public and private research institutions, service providers, and other stakeholders.

The Councils will:

- Identify and address issues common among the cluster businesses and develop and implement an industry-specific agenda for growth and development within the cluster.
- Encourage collaborative relationships and partnerships among cluster businesses, among providers of services to cluster businesses, and between both groups to implement projects/initiatives.
- Coordinate specific industry cluster projects such as those near-term initiatives identified in the plan:
  - The Advanced Manufacturing Industry Leadership Council will be working to expand current initiatives for providing access to rapid prototyping technology, and training and development in manufacturing.
  - The Life Sciences Industry Leadership Council will be exploring projects that offer promise for creating new strategic business alliances for value-added food, nutraceutical, and pharmaceutical production, e.g. an Iowa Protein Extraction Facility.
  - The Information Solutions Leadership Council will be supporting strategies to expand access to advanced telecommunications services in Iowa. Further work will be done to define participants in the Council, focusing on industries which are information intensive or provide information technology or telecommunications services. The Information Solutions Leadership Council will also explore the feasibility of creating regional technology innovation networks in areas of the state with a high concentration of information technology intensive businesses.

## **HOW WILL THE PLAN BE FUNDED?**

Resources for the plan are required to support the activities of the Council and Leadership Councils. The **Vilsack/Pederson** Administration budget recommendation proposes new resources up to \$100,000 through the Iowa Department of Economic Development budget. Also proposed is the authorization of the reallocation of up to \$4.85 million of program dollars administered through the Iowa Department of Economic Development to support projects and activities under this plan in the following areas:

- industry-driven training
  - business development/technology commercialization
  - regulatory assistance and coordination
- entrepreneurial development
- marketing and communications to support cluster development